Ninth Finance Commission was chaired by a Member of the Rajya Sabha.

SHRI SATISH AGARWAL: That is why the States got more.

SHRI MANMOHAN SINGH: As far as the question of distribution of 7.5 per cent excise duties is conerned, it is not correct that while the Tenth Finance Commission has distributed 47 per cent, the previous Finance Commission had distributed it on a different formula. It is certainly true that, of the total of 45 per cent distributed by the previous Finance Commission, 40 per cent was distributed on a general formula and 5 per cent was given to States which were deficient, which had a revenue deficit. The Tenth Finance Commission has increased that share from 5 per cent to 7.5 per cent. So, ' think, there is no basic difference in the principle as far as the distribution is concerned.

Finally, as regards the issues which are Uiider consideration, the Commission has suggested an alternative devolution fotjimla which requires a Constitutional amendment. This is one major issue. There are some other issues about the loans of the Union Territories which later had became States. I think, the Commission has said that the Government should look into those issue. These are some of the issues which are under consideration.

श्री रामजी लाल : उपसभापति महोदया, मैं आपके माध्यम से मंत्री महोदय से जानना चाहता हूं कि क्या सरकार ने बैकवर्डनैस फैक्टर को ध्यान में रखते हुए उन स्टेट्स को फंड्ज अलॉट करने का कोई नया फार्मूला तैयार किया हैं और यदि किया हैं तो सरकार किस लेवल तक 10वें फाइनेंस कमीशन की रिपोर्ट पर क्या कार्यवाही करेगी? मैं यह पूछना चाहता हूं कि जो पुअर राज्य हैं, उनमें कौन-कौन सी स्टेट्स में फंड्ज का ऐलोकेशन हुआ हैं, उनके नाम बताने का कष्ट करें।

THE DEPUTY CHAIRMAN: The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

News-item captioned "Essar issue rests on 'Doubtful' applications

*263. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to state:

(a' whether Government has seen news-item, appeared in the 'Business Standard' dated the 17th July, 1995, under the caption "Essar Issue rests on 'doubtful' applications".

(b) whether the Government is aware the ICICI bailed out the public issue of ESSAR Oil Limited in violation of the SEBI's guidelines issued on the 20th January, 1994 in the matter; and

(c) if so, the measures Government are taking to direct ICICI to withdraw the second application and punish the erring officials?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHARA MURTHY): (a) Yes, Sir.

(b) Pursuant to the firm allotment offer made by M/s Essar Oil Ltd. in their public issue, 1CJCI made an application for Optionally Fully Convertible Debentures (OFCDs) amounting to Rs. 110 crores. When the public issue opened, ICICI made another application for subscription of OFCDs amounting to Rs. 49.99 crores which was an advance subscription against their underwriting commitment. In the instant case, ICICI had a dual status, as that of a firm allottee as well as that of an underwriter. In view of this SEBI has held that ICICI could legitimately make their application of Rs.49.99 crores over and above their firm allotment and it is not in violation of SEBI guidelines.

(c) Does not arise in view of answer to part (b) above.